



# Senate

General Assembly

**File No. 580**

February Session, 2016

Substitute Senate Bill No. 394

*Senate, April 11, 2016*

The Committee on Energy and Technology reported through SEN. DOYLE of the 9th Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

**AN ACT CONCERNING AUTHORIZATIONS RELATING TO VIRTUAL  
NET METERING FOR CERTAIN ZERO OR LOW EMISSION  
GENERATION PROJECTS.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subsection (e) of section 16-244u of the general statutes is  
2 repealed and the following is substituted in lieu thereof (*Effective July*  
3 *1, 2016*):

4 (e) (1) On or before October 1, 2013, the Public Utilities Regulatory  
5 Authority shall conduct a proceeding to develop the administrative  
6 processes and program specifications, including, but not limited to, a  
7 cap of ten million dollars per year apportioned to each electric  
8 distribution company based on consumer load, for credits provided to  
9 beneficial accounts pursuant to subsection (c) of this section and  
10 payments made pursuant to subsection (d) of this section, provided  
11 the municipal, state and agricultural customer hosts, each in the  
12 aggregate, and the designated beneficial accounts of such customer  
13 hosts, shall receive not more than forty per cent of the dollar amount

14 established pursuant to this [subsection] subdivision.

15       (2) In addition to the provisions of subdivision (1) of this subsection,  
16 the authority shall authorize five million dollars per year for municipal  
17 customer hosts, apportioned to each electric distribution company  
18 based on consumer load, for credits provided to beneficial accounts  
19 pursuant to subsection (c) of this section and payments made pursuant  
20 to subsection (d) of this section where such municipal customer hosts  
21 have: (A) Submitted a virtual net metering application to an electric  
22 distribution company on or before December 1, 2015; (B) entered into a  
23 contract with an electric distribution company pursuant to sections 16-  
24 244r and 16-244s or section 16-244t; and (C) obtained all required local,  
25 state and federal permits and approvals, as applicable.

This act shall take effect as follows and shall amend the following sections:

Section 1	July 1, 2016	16-244u(e)
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**ET**           *Joint Favorable Subst.*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

### ***OFA Fiscal Note***

#### ***State Impact:***

Agency Affected	Fund-Effect	FY 17 \$	FY 18 \$
Various State Agencies	All Funds - Cost	See Below	See Below

Note: All Funds=All Funds

#### ***Municipal Impact:***

Municipalities	Effect	FY 17 \$	FY 18 \$
Various Municipalities	See Below	Indeterminate	Indeterminate

### ***Explanation***

The bill requires the Public Utilities Regulatory Authority (PURA) to authorize an additional \$5 million of virtual net metering credits per year to municipal customers which will result in increased costs to the state as a ratepayer.

The net ratepayer impact for municipalities depends on the potential savings from installing certain renewable generation systems and the cost municipalities pay to electric companies to recover the expense of additional funding for virtual net metering.

### ***The Out Years***

The annualized ongoing fiscal impact identified above would continue into the future.

**OLR Bill Analysis****sSB 394*****AN ACT CONCERNING AUTHORIZATIONS RELATING TO VIRTUAL NET METERING FOR CERTAIN ZERO OR LOW EMISSION GENERATION PROJECTS.*****SUMMARY:**

This bill requires the Public Utilities Regulatory Authority (PURA) to authorize an additional \$5 million of virtual net metering credits per year to municipal customer hosts that meet certain requirements.

The virtual net metering law allows municipal, state agency, and agricultural electric customers that install certain renewable generation systems (“hosts”) to (1) receive a billing credit for excess power their system generates and (2) share this credit with certain other accounts (“beneficial accounts.”) For example, if a photovoltaic system on a school’s roof generated more power than the school used, a town could use the excess credits to reduce the electricity bill for its fire station.

Current law caps the total amount of credits provided to beneficial accounts at \$10 million per year and limits the three categories of hosts to 40% of this amount. The bill requires PURA to authorize an additional \$5 million per year of credits for municipal customer hosts that have:

1. submitted a virtual net metering application to an electric distribution company (EDC, i.e., Eversource and United Illuminating) by December 1, 2015;
2. entered into a contract with an EDC under the state’s Z-REC or L-REC programs (programs that require EDCs to purchase zero- or low-emission renewable energy credits from certain renewable energy projects); and

3. obtained all of the necessary local, state, and federal permits and approvals.

As in the current virtual net metering program, the bill's additional credits must be apportioned to each EDC based on their consumer load (i.e., approximately 80% to eligible Eversource customers and 20% to eligible UI customers).

EFFECTIVE DATE: July 1, 2016

## **BACKGROUND**

### ***Related Bill***

sHB 5496, reported favorably by the Energy and Technology Committee, gives virtual net metering hosts whose applications have been accepted by an EDC 18 months to become operational once the Department of Energy and Environmental Protection issues their final air pollution control or solid waste management permits (if applicable).

## **COMMITTEE ACTION**

Energy and Technology Committee

Joint Favorable Substitute

Yea    22    Nay   0    (03/22/2016)